

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division**

In re:	:	Chapter 11
	:	
Circuit City Stores, Inc., <i>et al.</i>	:	Case No. 08-35653 (KRH)
	:	
Debtors.	:	

**LIMITED OBJECTION TO DEBTORS' MOTION FOR ORDERS UNDER
BANKRUPTCY CODE SECTIONS 105, 363 AND 365 (I) APPROVING BIDDING AND
AUCTION PROCEDURES FOR SALE OF UNEXPIRED NONRESIDENTIAL REAL
PROPERTY LEASES, (II) SETTING SALE HEARING DATES AND (III)
AUTHORIZING AND APPROVING (A) SALE OF CERTAIN UNEXPIRED
NONRESIDENTIAL REAL PROPERTY LEASES FREE AND CLEAR OF ALL
INTERESTS (B) ASSUMPTION AND ASSIGNMENT OF CERTAIN UNEXPIRED
NONRESIDENTIAL REAL PROPERTY
LEASES AND (C) RELEASE REJECTION PROCEDURES**

Cardinal Court, LLC, Colonial Heights Holdings, LLC, and DEV Limited Partnership (the "Objecting Landlords" or the "Landlords") by and through their counsel, respectfully submit this limited objection to Debtors' *Motion for Orders Under Bankruptcy Code Sections 105, 363, and 365 (I) Approving Bidding And Auction Procedures for Sale of Unexpired Nonresidential Real Property Leases, (II) Setting Sale Hearing Dates and (III) Authorizing and Approving (A) Sale of Certain Unexpired Nonresidential Real Property Leases Free and Clear of All Interests (B) Assumption and Assignment of Certain Unexpired Nonresidential Real Property Leases and (C) Release Rejection Procedures* (the "Motion").

1. Landlords object to the Motion for the following reasons:

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C. Thomas Ebel, Esquire – VSB #18637
Peter M. Pearl, Esquire – VSB #22344
Lisa Taylor Hudson, Esquire – VSB #45484
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- a. The requested relief improperly shifts to the Landlords the burden to make reasonable request for adequate assurance information. The bidder should provide the adequate assurance information without request so as to give all of the Landlords as much time as possible to evaluate prospective tenant;
- b. The order should provide, consistent with current sale guidelines, that the premises will be left in broom clean condition, including leaving the premises in good condition;
- c. The requested relief improperly shifts to the Landlords the burden of hiring a locksmith and/or alarm disarming company to gain access to the premises in the event that the Debtors do not provide the Landlords with keys and alarm codes. At a minimum, the Landlords' costs in gaining access to the premises as a result of the Debtors' failure to provide the Landlords with keys and alarm codes should be allowed administrative expenses;
- d. It is unclear which "March" leases will be slated for which auctions/sale hearings, and when Landlords will know which auction/sale hearing dates apply to them;
- e. There is insufficient time for the Landlords to evaluate prospective tenants; Landlords should have at least 10 days notice to object;
- f. Cure procedures should include a provision that if cure disputes are not resolved out of court or at the sale hearing, then cure objections will be heard promptly, no later than 7 days after the sale hearing;
- g. It is unclear how Landlords will get notice that no bids were received on their lease, and how many days notice of rejection they will be provided if no bid is received or accepted by Debtors;
- h. The request for waiver of the stay under Bankruptcy Rules 6004 and 6005 is premature and should be deferred until the sale hearing(s).

2. The Objecting Landlords also join in the objections filed by other landlords to the extent they are not inconsistent with this objection.

WHEREFORE, the Objecting Landlords respectfully requests that any final order granting the Motion be modified pursuant to the terms of this objection, or that the Motion be

denied in its entirety, and that the Objecting Landlords be granted such other and further relief as the Court may deem just and proper.

Dated: February 11, 2009

/s/ William A. Gray
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CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of February, 2009, a true and accurate copy of the foregoing was electronically filed with the Clerk of the Bankruptcy Court for the Eastern District of Virginia, Richmond Division, using the CM/ECF system, which thereby caused the above to be served electronically on all registered users of the ECF system that have filed notices of appearance in this matter, and was mailed, by U.S. Mail, first class, postage prepaid, to all persons on the below Service List:

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